

July 6, 1961

THE ATLANTIC INSTITUTE

1. The Atlantic Institute is trying (1) to generate new ideas to build Atlantic unity; (2) to put these ideas into concise, practical form for decision-making authorities; (3) to explain the ideas to the public of the Atlantic Community and gain their acceptance.
2. If this job is done well, two things could happen: (a) the "elites" in Atlantic countries -- intellectuals, politicians, leaders of the economy -- could begin to form a working consensus on the great issues of our times; (b) the man in the street might begin to see a clearer picture of the Atlantic Community and what it could mean to him.
3. Those backing the Atlantic Institute comprise some of the outstanding men of state, intellectuals, and economic leaders of Western Europe and North America. These men have already created the nucleus of a staff and have set it to work; raised almost \$500,000 for the Institute's five-year budget; and laid out a workable program.
4. The Institute's staff has produced several brief reports: on the Meeting of the 81 Communist Parties, a comparison of Comecon and OECD, and a chronology of disarmament. These have been given to a limited group of Government officials and experts. Of more importance, the Institute is working on a report called "The Future of the Atlantic Community," for broad public distribution in the fall. ICA has agreed in principle to finance an Institute study comparing methods of assessing manpower needs in lesser-developed countries. The Institute also plans to conduct a study on the Atlantic economy, in cooperation with the Committee for Economic Development, Political and Economic Planning (London), and similar groups in Europe.

On June 23-25, Atlantic Institute brought together in Brussels the directors of institutes of foreign affairs (Chatham House, Council on Foreign Relations, etc.). A broad program of cooperation in research and education was agreed upon. The Conference proposed, for example, that Atlantic Institute take

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the initiative to plan a joint trip of such directors to the capitals of new African states to make contacts and demonstrate Western solidarity.

5. The Institute is currently spending about \$8,000 a month, for operation of a small secretariat in Milan. The provisional Director is G. L. Bassani, who also directs the Italian Institute of International Affairs.
6. It has taken two years of solid work, since the Institute's creation was recommended by the Atlantic Congress in June, 1959, to achieve the present state of things. The Institute has obtained financial pledges in 12 Atlantic countries (including contributions from 11 governments). Europe has guaranteed \$337,000; the U.S. \$140,000. Atlantic Institute now has more than enough funds for its 1961 operations. For 1962, however, \$150,000 is lacking. For each of the years 1963, 1964, and 1965 the current deficit, now foreseeable is about \$230,000. The Trustees of the Ford Foundation met recently to consider Atlantic Institute's application for an \$80,000 a year grant (5 years). An official report has not yet been received, but we understand that they appropriated a lesser sum, to be released only after Atlantic Institute has met certain conditions. Release of the money is thus by no means certain. The Institute's backers have gone about as far as they possibly can in fund-raising because without a permanent executive head of stature, long-range confidence of contributors is impossible to establish.
7. The Institute's Board of Governors decided some months ago to invite a prominent American to be its first Director-General. Mr. Henry Cabot Lodge has agreed to take the position, subject to three conditions: (a) that the Institute establish its headquarters in Paris; (b) that he be relieved of all routine administrative duties; and (c) that the Institute be assured of a full budget for its operation over the entire period of its first five years. The first two conditions can be met (although the first is not a simple matter, from a practical point of view). The third condition is practically impossible of complete fulfillment, without Mr. Lodge or a reasonable facsimile.
8. Mr. Lodge promised (July 1) to consider an offer of the Institute's Board to assume the position of Director-General in September, with a guarantee of a \$300,000 budget for one year, beginning when he assumes office. It is not at all certain that he will accept, although he is deeply interested (his own word is "fascinated"). We expect an answer within three weeks.

9. The results of a great deal of effort and not inconsiderable sums of money (given in large part by dedicated individuals) will very probably be lost if Mr. Lodge decides Atlantic Institute's financial status is not yet sufficiently secure to risk the plunge. The American Governors of Atlantic Institute (led by William C. Foster and Eric Johnston) have been trying for one year to produce a suitable American Director-General. There have been a number of false starts and difficult obstacles (notably the U.S. elections) but despite these, European interest has been sustained and the present modest program established. If Lodge declines, however, it will be extremely difficult to induce our European backers to renew their patience in the hope that a substitute American can eventually be found. It is difficult to see how the "coalition" can be held together under these circumstances.
10. What will be lost? The deep interest and growing cohesiveness of a rather remarkable group of individuals including such men as Lord Gladwyn of Britain, de Gaulle's economic advisor, Jacques Rueff, Lewis Douglas, Christian A. Herter, Kurt Birrenbach of the German Bundestag, Haakon Lie, Secretary-General of the Norwegian Labor Party, George Meany, Vittorio Valletta, President of Fiat, Fritz Berg, who heads the German Industrial Federation, Paul Henri-Spaak, and a distinguished collection of intellectuals and research executives. Working together, gradually extending their influence and enlarging their numbers, a group like this could eventually exert an important, positive influence on public opinion in the West. To disband their effort at the threshold of effectiveness will also risk serious psychological effects, perhaps much more significant than those which attended the death of another "Atlantic" venture, Western World magazine. To let Atlantic Institute die too will somehow be a symptom of a lack of faith and concerted will power in the free West.
11. Two problems must be solved immediately:
 - (a) Mr. Lodge must be induced to accept this position and must be assured that the risks will be covered.
 - (b) The Institute's financial position must be rapidly and powerfully bolstered.